

Fraser Inc.

Revised January 23, 1984 (IC)
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 cards on this Company

CUSIP Number 355491
 Stock Symbol F

Head Office — 27 Rice St., Edmundston, N.B. E3V 1S9

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THE COMPANY with its subsidiaries produces pulp, paper, boxboard and lumber from facilities in New Brunswick, Ontario and Maine, and operates the second largest privately owned tree nursery in Canada for reforestation purposes; products are sold in the United States, Canada and in Europe.

Fiscal Year	Total Assets	Net Fixed Assets	COMPARATIVE DATA			Earnings Per Sh.	Divs. Paid	Price Range	
			Shldrs. ¹ Equity	Net Sales	Net Inc. Oper.			High	Low
			000's				Common Shares* —		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1982....	527,618	376,838	182,735	397,605	d4,761	d0.67	0.50	17.13	8.50
1981....	443,933	279,851	179,886	422,172	16,183	2.30	1.30	28.88	16.50
1980....	376,158	228,427	171,821	362,184	29,346	4.19	1.20	24.00	15.00
1979....	330,788	217,733	150,407	321,038	27,535	3.91	1.00	17.50	13.25
1978....	237,295	172,539	131,207	265,129	22,559	3.20	0.66	15.00	8.13

*All common share data adjusted to reflect 3-for-1 stock split Dec. 1, 1978. Designated as class A and B stock prior to reclassification April, 1979.

CONSOLIDATED CAPITALIZATION AS AT DECEMBER 31, 1982			
	Outstanding		%
Long-term debt		\$247,536,000	58
Common stock	7,145,306 shs.	7,788,000	2
Retained earnings		174,947,000	40

SUMMARY STATEMENT

For the nine months ended Sept. 30, 1983, net income totaled \$6,134,000 or 67 cents per common share compared with a net loss of \$3,285,000 or 46 cents per share in the corresponding 1982 period. Net sales were up 5% to \$317,117,000. The company reported that the paper product lines were especially in strong demand, which saw price increases in coated lightweight groundwood and uncoated free sheet grades, as well as steadily improving backlogs for uncoated groundwood grades. The company anticipated a fourth quarter equally strong in all product lines.

Financial results for the year ended Dec. 31, 1982 showed a net loss of \$4,761,000 or 67 cents per share compared with a restated net income of \$17,529,000 or \$2.49 per share. (For details of restatement, see "Accounting Changes" on page 3.) Sales were down 6%.

Dividends of five cents per share were paid on June 24 and Sept. 30, 1983. Previously, 25 cents per share was paid Dec. 30, 1981, June 25, 1982 and Mar. 26 in 1982.

Preferred shares with an unlimited authorization, to be issued in series, were created through shareholders approval at the annual meeting in April, 1983.

Acquisitions in 1982 and early 1983 included 50% interest in the Levesque sawmill in northern Maine and 50% of the shares of Island Paper Mills Limited in New Westminster, B.C. Also, late in 1982, the investment in Frenswick Holdings Limited was converted to a direct investment in Kerr Addison Mines Limited and Brascade Resources Limited.

Capital expenditures in 1982 totaled \$114,157,000. In the nine months of 1983, expenditures totaled \$60 million. The modernized Atholville pulpmill commenced production on Sept. 19, 1983.

N.B. — For quick reference data, see page 2.

THE FINANCIAL POST CORPORATION SERVICE

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Montréal, Québec, Canada

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QUICK REFERENCE DATA

Major Shareholders—At March 10, 1983, Northwood Mills Limited, a wholly-owned subsidiary of Noranda Mines Limited of Toronto, held 63.5% (4,533,951 shares) and The Harold Crabtree Foundation held 10.1% (724,287 shares) of the outstanding common shares.

Employees—At February 28, 1983, the company had 3,289 employees.

Incorporated—Canada charter, June 27, 1917; founded in 1877; continuance, April 11, 1979.

Auditors—Peat, Marwick, Mitchell & Co., C.A., Montreal.

Fiscal Year Ends—December 31.

Annual Report Appeared—In March in 1983.

Annual Meeting—April 14 in 1983.

Listed—F, Montreal and Toronto Stock Exchanges.

Shareholders—At March 10, 1983, the company had 2,033 shareholders.

Transfer Agent and Registrar—Montreal Trust Co., Montreal, Toronto, Saint John, N.B. and Vancouver.

COMPANY

The company is engaged directly and through subsidiaries in the manufacture and sale of bleached and unbleached softwood sulphite and groundwood pulp; fine and groundwood specialty papers; coated and uncoated folding boxboard; and wood products; and in the operation of a tree nursery for reforestation purposes. Mills are operated in Thorold, Ont.; Plaster Rock, Kedgwick, Atholville and Edmundston (2), all N.B. and Madawaska, Maine.

OPERATIONS

Woodlands Division:

The company has approximately 2,915 square miles or over 1.8 million acres of timber limits and freehold lands in New Brunswick, of which 765,000 acres are freehold woodlands.

During 1981, the company harvested a total of 893,000 cubic metres of wood for company plants, with an additional 964,000 cubic metres being purchased from external sources.

This division operates the second largest privately owned forest tree nursery in Canada at Fraser Falls, N.B. which receives seeds from two seed orchards and produced some 6 million seedlings during 1982; planted 6.2 million nursery seedlings on 3,130 hectares; spaced 233 hectares of young natural stands and herbicide treated 2,000 hectares of young plantations. Seedlings are planted annually on prepared freehold and Crown lease property and are treated with aerial applications of insecticide when required. Wood is harvested and transported to company mills. During 1982, on leased crown lands, the company prepared 2,300 hectares, planted 300 hectares and spaced 190 hectares.

High wood inventories resulted in a total of 197,000 m³ of wood being harvested in 1982, a reduction of 44% from the previous year.

Wood Products Group:

The group operates two sawmills with dressing mill, planer mill and dry kiln facilities at Plaster Rock and at Kedgwick, N.B., with a combined annual capacity of 88.2 million board feet. From its timber resources the company cuts and mills eastern Canadian spruce for lumber used in residential and commercial construction in eastern Canada, the eastern U.S. and in Britain and

Italy, while by-product wood chips are used in the company's pulp mills.

Both sawmills are equipped with computerized scanning systems that read logs and set saw blades to cut the maximum amount of lumber for each log.

Marketing is handled by Northwood Mills Limited from its Toronto sales office into both the North American and European markets.

During 1982, shipments totalled 32,695 m.f.b.m., 57% lower than 1981.

On Oct. 1, 1982, the company acquired 50% of the J. P. Levesque & Sons Inc. sawmill in Ashland, Maine.

Pulp:

Through facilities at Atholville and Edmundston, N.B., the company produces bleached and unbleached softwood sulphite pulp, bisulphite pulp and groundwood pulp. Pulp produced at the Restigouche mill in Atholville is mostly sold to external markets in North America and overseas through sales offices in Edmundston, N.B., and Greenwich, Conn. Pulp produced at the Edmundston mill is pumped one mile to the company's paper mills at Madawaska, Maine, where it is used internally.

During 1982, a total of 109,721 tons of magnesium bisulphite pulp and 109,721 tons of groundwood pulp were produced.

A \$170 million modernization project at Atholville was started in 1981 and was completed on Sept. 19, 1983. Of the total financing, 14% came from government grants. This plant was converted into a producer of 120,000 tons annually of fully bleached magnesium bisulphite softwood and hardwood pulps, with 20% being hardwood.

Boxboard Division:

This division produces coated and uncoated folding boxboards at the Edmundston mill. Output is sold for many consumer packaging applications in Canada through sales offices located in Montreal, Que., and Islington, Ont. Shipments by this division were down 11% from 1981 to 25,428 tons.

A three-year modernization project is currently under way and calls for automation of the beater room, additional repulping capacity and major rebuilding work on the boxboard machine. This \$7 million modernization program will be partly financed through a DREE grant and is expected to increase production capacity by 25% when completed.

Papers:

Paper operations are carried out through Fraser Paper, Limited, a wholly-owned subsidiary located at Madawaska, Me., and involved in the production of fine and groundwood papers.

The 100,000-ton-per-year fine paper mill at Thorold, Ont. is a major North American supplier of wallpaper base stock and also produces packaging papers and coated labels. The Thorold division shipped a total of 73,958 tons of fine paper in 1982.

Paper produced is used for converting specialties, commercial printing, coated and uncoated publications, directories and catalogues and is sold in the U.S. through sales offices in Greenwich, Conn., and Des Plaines, Ill.

Shipments for the fine papers division at Madawaska were 120,922 tons in 1982, down 21% from 1981. Shipments of coated groundwood papers totalled 131,224 tons in 1982. For the first time in 1982, a 32 lb. coated sheet was manufactured on a commercial basis.

Shipments of uncoated groundwood papers totalled 113,503 tons, down 11% from 1981.

Sales—For sales of the company's products, see table on page 10.

Power Supply—At Edmundston, the greater portion of the power required is purchased from the New Brunswick Electric Power Commission, with the remainder generated by the company's own steam turbines. At Restigouche, the greater part of the power is generated by the company's own steam turbines, and the

remainder is purchased from the Commission. Currently in-company generation of energy is approaching 20% of total energy consumed.

PROPERTIES

Mills—Fraser Lumber—Plaster Rock and Kedgwick, N.B.; Fraser Boxboard—Edmundston, N.B.; Fraser Papers—Madawaska, Me., and Thorold, Ont., with seven fine paper machines, one dual-purpose paper machine and one on-machine billblade coater. This division also has three groundwood paper machines, two off-machine blade coaters and two super calenders; Fraser Pulp—Atholville and Edmundston, N.B.

Plant Capacities—The approximate capacities of the company's plants are reported as follows:

	Tons per day
Edmundston, N.B.	
Bleached sulphite pulp	*420
Unbleached sulphite pulp	*140
Groundwood pulp	*350
Paperboard	98
Madawaska, Me.	
Paper from chemical pulps	560-385
Groundwood specialty papers	590-745
Restigouche (Atholville, N.B.)	
Bleached sulphite pulp, paper grade	290
Thorold, Ont.	
Fine and special papers	274

*All of Edmundston sulphite and groundwood pulp production is for internal use.

■ Capacity figures range depending on which use of the dual-purpose machine is selected.

Sawmills—Plaster Rock, N.B.—Annual capacity of 41.8 million board feet; Kedgwick, N.B.—Annual capacity of 46.4 million board feet.

CAPITAL EXPENDITURES

Net improvements to plants and properties in recent fiscal years have been as follows:

1973	\$7,318,000	1978	\$53,646,000
1974	5,886,000	1979	53,306,000
1975	9,186,000	1980	28,921,000
1976	23,144,000	1981	71,989,000
1977	44,459,000	1982	114,157,000

Record high capital expenditures in 1982 were primarily for the Atholville modernization and the Steam Pipeline project. A high pressure steam pipeline was completed late in 1982 across the international border between the mills in Edmundston and Madawaska which permits both mills to operate as a single energy unit.

In the first half of 1983 the new No. 2 paper machine at Island Paper went into production on July 4. The modernized Atholville pulpmill commenced production on Sept. 19, 1983.

ACCOUNTING CHANGES

Effective Jan. 1, 1982 the company changed its method of providing for depreciation of production machinery from the straight-line basis to the units-of-production basis. Had the straight-line method been used in 1982 the net loss would have been increased by \$902,000.

Up to 1981 reforestation costs were expenses as incurred. Effective 1982 costs were capitalized and amortized to income as timber is cut at rates based on the relationship of unamortized timber costs to the estimated volume of recoverable timber. This had the effect of reducing net loss for 1982 by \$748,000. The 1981 earnings previously reported have been increased by \$753,000 and retained earnings at Jan. 1, 1981 have been increased by \$1,381,000.

Prior to 1982, investment tax credits were recognized as a reduction in the provision for income taxes in the years in which such credits were claimed for tax purposes. In 1982, they are recognized in determining the provision for income taxes to the extent that the credits would have been realized on the tax returns if shares payable were based on reported earnings to shareholders. This change had the effect of reducing 1982 net loss by \$320,000 increasing the 1981 net

earnings by \$593,000 and increasing retained earnings at Jan. 1, 1981 by \$6,930,000.

HISTORY

The company was incorporated as Fraser Companies Limited under Dominion charter on June 27, 1917 (continuance under the Canada Business Corporations Act, April 11, 1979). The business had been established since 1877, operating, prior to 1917, under the names of: Donald Fraser & Sons, Ltd.; F. & M. Lumber Co., Ltd.; Fraser Lumber Co., Ltd., and Fraser Ltd.

Until 1917, the whole activity of the business was in lumber but with the incorporation of the present company, it entered into the manufacture of bleached chemical pulps. A new pulp mill was erected at Edmundston, N.B., for that purpose.

In 1925, the company started manufacturing paper through a subsidiary, Fraser Paper Ltd., which built a mill at Madawaska, Me., for the purpose of converting into bleached sulphite paper, the pulp manufactured by the parent company.

In 1925, the company acquired all the capital stock of Stetson Cutler & Co. Ltd., which carried on sawmill operations on the Restigouche River, N.B. Name of this company was changed to Restigouche Co. Ltd. in 1928. In 1930, it started producing bleached sulphite pulp in a new mill at Atholville, N.B. Later the company added the production of dissolving pulps to its operation.

In 1928, the manufacture of lightweight groundwood catalogue paper and other groundwood content specialties was started by the subsidiary, Fraser Paper Ltd. and at the same time the parent company started producing the necessary groundwood pulp for this operation. During the same year, the parent company started manufacturing paperboard.

On Apr. 1, 1931, the company passed the interest due on its 6½% 15-year debentures and, in 1932, found it necessary to readjust its financial structure due to its inability to meet its obligations. Details of the reorganization plan were as follows:

Capital Stock—Reduction of outstanding shares, leaving authorized capital at same amount, i.e., 500,000 shares of no par value; shareholders to receive one share for every 20 shares held, necessitating issuance of 20,189 shares.

First Mortgage Bonds—Exchange, par for par, of old bonds for new 6% sinking fund mortgage bonds maturing Jan. 1, 1950.

Secured Notes—\$3,000,000 new 6% first mortgage bonds of Restigouche Co. issued par for par in satisfaction of \$3,000,000, 6% secured notes of Fraser Companies Ltd. surrendered and cancelled. Interest accrued for the month of January, 1932, adjusted in cash.

Debentures and Unsecured Notes—Voting trust certificates, representing common shares of Fraser Companies Ltd. issued in satisfaction of its \$6,000,000 15-year, 6½% unsecured debentures and accrued interest and its \$500,000, three-year unsecured notes and accrued interest. Rate was two shares for each \$100 principal amount of such debentures and notes.

Prior Lien Bonds—The authorization of not over \$2,000,000 of 6% ten-year prior lien bonds (Fraser Companies Ltd.) secured similarly but prior to first mortgage bonds for working capital purposes. Dividends on capital stock restricted to protect working capital position.

Voting Trust Agreement—Voting trustees appointed to vote on common shares of Fraser Companies Ltd., represented by the voting trust certificates issued to debenture and noteholders under the plan. (The voting trust was dissolved early in 1944).

Through deferment of interest charges and relief from sinking fund obligations under the 1932 reorganization plan, the company was able to take advantage of the improvement in its business and earnings to enhance its current position. However, to resume regular bond interest payments on July 1, 1936, and to begin sinking fund payments on Dec. 1, 1936, in addition to paying the installments on account of deferred bond interest beginning July 1, 1937, would have seri-

ously depleted the company's working capital position and the company compiled a plan for the disposal of deferred interest liabilities, which was approved by security holders at meetings on Apr. 28 and 29, 1936. The plan was as follows:

Prior Lien Bonds—Authority for issue of prior lien bonds was cancelled and the bonds were cancelled and discharged.

6% Sinking Fund Mortgage Bonds—Upon cancellation of the prior lien bonds, the outstanding \$10,610,500 principal amount of 6% sinking fund mortgage bonds was replaced by new bonds, designated as 6% first mortgage bonds, series of 1936, on a par for par basis. Accumulations of deferred interest, with interest on such interest, on the 6% sinking fund mortgage bonds and accumulations of deferred interest on the special bank loan were paid by the issuance of 186,866 shares of the capital stock of the company on the following basis:

(a) For each one-year period of accrued and unpaid deferred interest on bonds for the four years Jan. 1, 1932, to Dec. 31, 1935, shares in the capital stock of the company at the rate of five shares for each \$1,000 principal amount of bonds, making a total of 140,625 shares.

(b) In respect of unpaid deferred interest to Dec. 31, 1935, on the special bank loan, 46,241 shares were set aside.

Voting Trust Certificates—Assignable subscription warrants were offered to holders of voting trust certificates and common stock, of record Apr. 30, 1936, entitling them to purchase 1% additional voting trust certificates of \$12 each, for each common share or voting trust certificate held, the rights expiring June 30, 1936. Full exercise of this privilege would provide sufficient funds to pay all deferred interest in cash.

During 1937, all the common stock of Fraser Realities Ltd. was acquired in exchange for 16,000 shares of Fraser Companies, Ltd. common stock. The company owned the greater portion of the Temiscouata Seignior and timber limits on Blue River and St. Francis River in Temiscouata cty., Que.

As of July 1, 1940, Fraser Realities, Ltd. was merged with Fraser Companies, Ltd., and subsequently the charter of Fraser Realities was surrendered.

An affiliated sales company, Fraser Industries, Incorporated, formed in 1932 to handle sales in the United States of the Madawaska mill of Fraser Paper, Ltd., discontinued business on Dec. 31, 1946, and was dissolved in 1947.

As at Jan. 1, 1958, the company acquired the business and assets and assumed the liabilities of its subsidiary, Restigouche Co. Ltd., subsequently known as the Restigouche Division of the company. The former subsidiary has since been wound up and dissolved.

In 1961, the company agreed to participate in the establishment by Rothesay Paper Corporation of a newsprint mill at Saint John, N.B. In 1963, the company exchanged some of its timber holdings in N.B. for preference and ordinary shares of Rothesay.

In September, 1964, the company sold to Scott Paper Company its groundwood mill at Sheet Harbour, N.S., together with 110,000 acres of freehold timber lands which were acquired from the Halifax Power and Pulp Company, Limited in June of 1963. These properties originally had been acquired by Fraser Companies as part of its participation in the establishment of the newsprint mill by Rothesay Paper Corporation.

In early 1966, Fraser Robinson Limited was formed by the company and E S & A Robinson (Holdings) Limited (since merged with John Dickinson & Company Limited) to take over and redevelop the company's bleached sulphite pulp mill at Atholville, N.B. The project has since been abandoned and the company's charter surrendered.

Under a letter dated Oct. 13, 1967, an offer to acquire all the company's shares (other than those owned by U.S. residents) was made by The Price Company, Limited. Basis of the offer was one 5.6% preferred share of Price of \$100 par value and two common share purchase warrants for each four common shares of Fraser Companies. On Nov. 15, 1967, the offer was withdrawn by The Price Company Limited as less than 51% of the company's shares were tendered.

In December, 1967, negotiations were terminated on a proposed takeover of the company by Continental Can Co. of Canada Ltd.

On Oct. 31, 1968, the company purchased all outstanding shares of W. H. Miller Company, Limited, which operated a sawmill and a dressing mill at Kedgwick, N.B.

Early in 1969, the company increased its investment in Rothesay Paper Corporation from 22% to 26%, but sold its holdings to Feldmuehle AG of Duesseldorf, Germany, subsequently during 1969 at a profit of \$1,933,000.

On July 31, 1969, the company reached an agreement to acquire the capital stock of Boiestown Lumber Limited which operated a sawmill and dressing mill at Boiestown, N.B. The company had planned to operate Boiestown as a division, but sold it at cost on Jan. 22, 1970.

Also on Jan. 22, 1970, the company sold all of the fixed assets of the Newcastle, N.B., bleached kraft mill and its related woods division. Net gain realized on the sale of the Newcastle and Boiestown facilities was \$6,653,000.

In April, 1974, control of the company was acquired by Northwood Mills Limited, a wholly owned subsidiary of Noranda Mines Limited of Toronto. Northwood acquired a total of 1,200,000 class A and B convertible common shares, representing 51% of the outstanding voting stock, through purchase of 547,705 shares (23%) from Genstar Limited and other large holders, and 652,295 shares (28%) through a first-come-first-served bid of \$28½ on the Toronto and Montreal Stock Exchanges. Total acquisition cost was estimated to exceed \$34 million.

Northwood subsequently increased its holding to 54.55% at Apr. 21, 1975, through purchases on the open market.

During 1976, W. H. Miller Company, Limited surrendered its charter.

During 1978, the company opened its \$1.2 million tree nursery at Second Falls, near Edmundston, N.B.

By Articles of Continuance, Apr. 11, 1979, the company's name was changed from Fraser Companies Limited to its present form.

During 1979, Northwood Mills Limited increased its interest in the company to 64.2%.

In November, 1979, the company purchased a 23.6% interest in the common shares of Frenswick Holdings Limited at \$19 per share for a total cost of \$30.8 million.

In early 1980, the company invested a further \$8.2 million in the common shares of Frenswick Holdings Limited thereby maintaining its 23.6% interest.

In mid-1981, the company bought a fine paper mill at Thorold, Ont. from Abitibi-Price Inc. for an undisclosed amount.

In September, 1982, the company purchased 50% of the J. Paul Levesque & Sons sawmill.

On February 4, 1983, the company, through a newly formed subsidiary acquired 50% of the shares of Island Paper Mills Limited for \$26,000,000. Consideration was \$15,000,000 cash and the balance by way of an unsecured promissory note payable in instalments from 1987 to 1989.

OFFICERS AND DIRECTORS

Officers—J. P. Fisher, chm.; A. H. Zimmerman, vice-chm.; H. R. Crabtree, chm., exec. comm.; Knut Grotterod, pres.; P. M. Belyea, sr. v-p, woodlands; B. W. Hicks, sr. v-p & sec.; M. B. Robinson, sr. v-p, fin.; W. H. Matthews, v-p, mfg.; Thorold; N. P. O'Brien, sr. v-p & gen. mgr. Edmundston/Madawaska paper; R. A. Knapp, sr. v-p, marketing sales; E. R. Frisby, sr. v-p, industrial relations; E. S. Bailey, v-p purchasing, transportation & stores; W. D. Kerr, v-p, corporate technical services; A. M. Moloney, v-p, sales; A. A. Ritchie, v-p & gen. mgr. market pulp and wood products; K. L. Seely, treas.; D. G. McAlary, cont.

Directors—J. P. Fisher, Knut Grotterod, Edmundston, N.B.; H. R. Crabtree, R. C. Frazee, Montreal; K. V. Cox, Saint John, N.B.; D. J. Hennigan, Bedford, N.S.; A. H. Zimmerman, C. E. Beigle, L. E. London, Toronto; W. R. Clerihue, Vancouver; W. D. Eberle, Manchester, Mass.; R. T. Kenny, Buckingham, P.Q.

WHOLLY-OWNED SUBSIDIARY

Fraser Paper, Limited—Incorporated 1925 in N.B.; owns and operates a mill at Madawaska, Me.; is an integrated producer of forest products.

ASSOCIATED COMPANIES

Island Paper Mills Limited—50% interest; 1010 Derwent Way, Annacis Island, B.C. V3L 5A5.

J. Paul Levesque & Sons Inc.—50% interest; Ashland, Maine 04732.

INVESTMENT

Brascade Resources Limited and Kerr Addison Mines Limited—In 1982, through a series of transactions the company exchanged its investment in Frenshwick Holdings Limited for 1,712,042 common shares of Kerr Addison and 224,711 preferred shares of Brascade.

CAPITAL STOCK

(As at Dec. 31, 1981)

	Author.	Outstand.
Common	Unlimited	7,145,306 shs.

Common—Entitled to one vote per share.

Stock Purchase Plan—Under the provisions of this plan shares may be issued for the account of certain employees, including officers, at the discretion of the directors. Payment for shares issued under this plan is made by employees in instalments so that the aggregate purchase price will be paid within ten years.

At Dec. 31, 1982, the trustee held 54,856 shares as collateral for unpaid balances aggregating \$833,000 of which \$122,000 was due in 1983.

PRICE RANGE OF STOCK

Common^a

Year	High	Low	Year	High	Low
1974	\$28.75	\$19.00	1979	\$17.50	\$13.25
1975	20.63	16.00	1980	24.00	15.00
1976	25.88	19.50	1981	28.88	16.50
1977	27.25	21.63	1982	17.13	8.50
1978*	15.00	8.13	1983	22.00	11.25

^aClassified as class A common shares from Jan. 25, 1974 to Apr. 11, 1979.

*Adjusted for 3-for-1 stock split, Dec. 1, 1978.

Class B

Year	High	Low	Year	High	Low
1974 ^a	\$28.75	\$32.50	1977	\$25.50	\$25.50
1975	19.25	16.00	1978*	13.00	12.00
1976	23.00	21.75	1979	15.00	13.00

^aListed February 11. ■ To July 20, when delisted.

*Adjusted for 3-for-1 stock split, Dec. 1, 1978.

CAPITAL STOCK CHANGES

The company had originally 100,000 common shares, par value \$100, all outstanding. In 1925, there was preferred stock authorized of \$3,000,000, of which \$1,950,000 was offered at 97½ by Royal Securities Corp. In February, 1925, and \$375,000 at a later date. The preferred was 7% cumulative and carried the privilege of conversion into common at par.

In October, 1927, the shareholders ratified the splitting of the common stock into no par value stock on the

basis of three new for one old and authorized capital was further increased by the addition of 12,000 n.p.v. common shares. Following the split the conversion privilege of the preferred was changed to three new shares of no par value. By S.L.P. dated Dec. 7, 1928, the preferred shares outstanding (23,250) were converted into 69,750 common shares of no par value, and 6,750 unissued preferred shares were subdivided and converted into 20,250 common shares without par value, and the authorized capital was increased by the addition of 98,000 common shares without par value making a total of 500,000 common shares. 25,450 of the new shares were offered to shareholders of record Dec. 19, on the basis of one share at \$50 for each 15 shares held.

Through the reorganization plan in 1932, the outstanding stock (403,782 shares) was reduced to 20,189 shares by the cancellation of 19 out of each 20 outstanding shares, and 130,000 shares were issued in exchange for debentures and unsecured notes.

In 1934, 10,570, and in 1935, 6,260 common shares were issued to bondholders who exercised their option to take these shares instead of postponing the interest for the year.

Under the 1936 plan for the settlement of deferred interest, an additional 186,866 common shares were issued.

During 1937, 16,000 shares were issued in exchange for all the common stock of Fraser Realities, Limited.

By S.L.P. dated Dec. 10, 1948, the 500,000 authorized n.p.v. common shares were subdivided into 1,000,000 n.p.v. common shares of which 742,034 shares were outstanding; and 50,000 4% cumulative redeemable sinking fund preferred shares of \$100 par value were created and subsequently issued prior to Dec. 31, 1948.

During 1950, 27,440 preferred shares were redeemed at \$102 and cancelled, leaving 22,560 shares outstanding at Dec. 31, 1950.

By S.L.P. Apr. 7, 1951, the authorized number of preferred shares was reduced to 22,560 shares, reflecting cancellation of the shares so far redeemed.

During 1951, 8,282 preferred shares were purchased for cancellation, leaving 14,278 shares outstanding at Dec. 31, 1951. In 1952, to Feb. 15, an additional 37 shares were redeemed, and by S.L.P. dated Apr. 23, 1952, the number of authorized shares was reduced to 14,241, to coincide with the number of shares then outstanding.

By S.L.P. dated Apr. 23, 1952, the common shares were split on a 3-for-1 basis, and authorized common stock was increased to 3,000,000 shares from 1,000,000 shares, and the outstanding number of common shares increased to 2,226,102 shares from 742,034 shares.

On Oct. 15, 1954, all outstanding 4% preferred (14,241 shares) were redeemed at \$102 per share and accrued dividends.

Stock issued under the employees' stock purchase plan, which was set up in 1968, totaled 74,100 shares in 1968, 20,750 shares in 1969, 10,850 shares in 1970, 2,500 shares in 1971, 500 shares in 1972 and 5,850 shares in 1973, bringing capital stock outstanding at Dec. 31, 1973, to 2,340,652 common shares.

By S.L.P. dated Jan. 25, 1974, the authorized and issued n.p.v. common shares were redesignated as class A convertible n.p.v. common shares with the authorized amount being increased to 5,000,000 shares, and 5,000,000 class B convertible n.p.v. common shares were created.

During 1974, 3,750 shares were issued under employees' stock purchase plan and 101,550 class A shares were converted into a like number of class B shares, bringing the total number of shares outstanding at Dec. 31, 1974, to 2,242,852 class A shares and 101,550 class B shares.

In 1977, 5,000 shares were issued under the stock purchase plan.

By S.L.P. dated Dec. 1, 1978, the class A and class B shares were subdivided on a 3-for-1 basis. Giving effect to various interconversions since 1974 capital

stock outstanding at Dec. 31, 1978 consisted of 6,164,906 class A and 883,300 class B shares.

Under Articles of Continuance, issued Apr. 11, 1979, the class A and B common convertible shares were reclassified as a single class of common shares, without nominal or par value, authorized to an unlimited extent.

Shares issued under employees' stock purchase plan have been as follows: 10,075 in 1979; 22,205 in 1980; 21,500 in 1981 and 12,300 in 1982. Also shares issued to shareholders electing dividends in stock in lieu of cash totaled 8,849 in 1979; 6,502 in 1980, 9,954 in 1981 and 5,715 in 1982. At Dec. 31, 1982, there were 7,145,306 shares outstanding.

At the shareholders meeting on Apr. 14, 1983, an unlimited number of preferred shares was created, issuable in series.

DIVIDENDS

Restriction on Dividend Payments—The trust indenture pursuant to which the sinking fund debentures were issued contains a restriction on the payment of cash dividends. At Dec. 31, 1981, approximately \$11 million of retained earnings was not subject to such restriction on distribution.

Note—Shareholders may elect to receive dividends in cash or in the form of stock dividends.

Common—Dividends of five cents per share were paid on June 24, and Sept. 30, 1983. Previously 25 cents per share was paid on June 25 and Mar. 26 in 1982; and on Dec. 30, 1981.

Initial rate on the \$100 par common shares was 1% per annum paid from 1920 to 1925. A dividend rate of 2% per annum was paid from 1926 to 1927.

Following a 3-for-1 stock split into no par value common stock in October, 1927, a dividend rate of \$1 per share per annum was paid in 1928 and 75 cents per share per annum was paid in 1929. There were no dividend payments on the common stock from 1930 to 1943.

Prior to the 1948 stock split, 35 cents per share was paid July 25, 1944, 35 cents paid Oct. 25, 1944, and Jan. 25, 1945; 50 cents Apr. 25, 1945, and regularly quarterly to and including Jan. 24, 1948; 75 cents paid Apr. 26, July 26 and Oct. 25, 1948.

Prior to the 3-for-1 split in April, 1952, initial payment (following the 2-for-1 split in December, 1948) was 50 cents paid Jan. 24, 1949; quarterly payments of like amount were made regularly thereafter to and including Oct. 22, 1951. Payments of 75 cents per share each were made Jan. 28 and Apr. 21, 1952.

Following the 3-for-1 stock split in April, 1952, \$1 per share per annum was paid quarterly from July 28, 1952 to Apr. 23, 1956, inclusive. The rate was increased to \$1.20 per share per annum with the payment of 30 cents on July 25, 1956, and paid regularly quarterly to July 31, 1967, inclusive. No further dividends were paid until dividends of 10 cents per share were paid on Dec. 28, 1968, and on Apr. 14, 1969. Quarterly payments of 15 cents per share were made on July 4 and Oct. 6, 1969, and of 25 cents on Dec. 29, 1969, and Mar. 16, June 15 and Sept. 15, 1970. Dividends of 15 cents per share were paid on Dec. 15, 1970 and Mar. 15, 1971. No further payments were made until 10 cents per share was paid Dec. 28, 1972, followed by 15 cents June 28, 1973, 20 cents Sept. 27, 1973, and 25 cents Dec. 27, 1973 (last prior to reclassification in January, 1974).

Following reclassification of common shares into class A and B shares in January, 1974, quarterly payments of 30 cents per share were paid on June 28 and Mar. 29, 1974. Rate was increased to \$1.60 per share per annum, paid quarterly from Sept. 27, 1974 to Sept. 24, 1976, inclusive. An annual rate of \$1.72 per share was paid quarterly from Dec. 29, 1976 to June 24, 1977, inclusive. On Sept. 30, 1977, a payment of 44 cents per share was made and 45 cents per share was paid on Dec. 29, 1977. An annual rate of \$1.84 per class A share was paid quarterly from Mar. 31, 1975 to Sept. 29, 1978.

Following the 3-for-1 stock split on Dec. 1, 1978, a quarterly dividend of 20 cents per share was paid on

Dec. 22, 1978 and Mar. 30, 1979. During the period from reclassification, dividends on the class B common shares were paid at an equivalent rate to class A shares but on a tax-deferred basis to Dec. 22, 1978 (for payments, see table, following).

Following reclassification of class A and B shares into common shares on Apr. 11, 1979, quarterly payments of 25 cents per share were paid from June 29, 1979 to Dec. 28, 1979 inclusive and of 30 cents per share from Mar. 28 to Dec. 30, 1980, inclusive. Quarterly dividends of 35 cents per share were paid on Mar. 27, June 26 and Sept. 25, 1981. Dividends of 25 cents per share were paid Dec. 30, 1981; Mar. 26 and June 25, 1982.

Extras of \$1 per share were paid on Apr. 25, 1947; 50 cents Oct. 25, 1947; 50 cents Apr. 26 and Oct. 25, 1948; 12½ cents Jan. 24, 1949; 50 cents Dec. 22, 1950; \$1 Oct. 22, 1951, and 20 cents per share was paid Apr. 26, 1955, 30 cents per share paid Jan. 23, 1956, 20 cents paid July 25, 1956, 30 cents paid Jan. 21, 1957, Jan. 27, 1958, Jan. 26, 1959, and Jan. 25, 1960; 20 cents paid Jan. 28, 1963, Jan. 27, 1964, Jan. 25, 1965, Jan. 31, 1966 and Jan. 30, 1967; 5 cents paid Dec. 28, 1979.

4¼% Preferred (old)—Was entitled to \$4.75 per share per annum, cumulative from Dec. 21, 1948; payable quarterly Jan., Apr., July and Oct. 1. Initial payment was \$1.33 per share on Apr. 1, 1949; alternate quarterly payments of \$1.19 and \$1.18 made regularly thereafter to and including Oct. 1, 1954. A final dividend of 20 cents per share was paid for the period from Oct. 1 to Oct. 15, 1954, when the stock was redeemed on the latter date.

7%, \$100 Preferred (old)—A dividend rate of 5¼% was paid in 1925 and a rate of 7% was paid in 1926 and in 1927. The stock was redeemed on Jan. 30, 1928.

TAX-DEFERRED DIVIDENDS

From Dec. 22, 1971 to Dec. 22, 1978, the company made the following tax-deferred dividend distributions out of 1971 capital surplus on hand:

Class B

Amount	Record	Amount	Record
30c	Mar. 8/74	40c	Sept. 3/76
30c	June 7/74	43c	Dec. 15/76
40c	Sept. 6/74	43c	Mar. 4/77
40c	Dec. 6/74	43c	June 3/77
40c	Mar. 7/75	44c	Sept. 9/77
40c	June 6/75	45c	Dec. 16/77
40c	Sept. 5/75	46c	Mar. 10/78
40c	Dec. 19/75	46c	June 9/78
40c	Mar. 5/76	46c	Sept. 8/78
40c	June 4/76	20c	Dec. 13/78

LONG-TERM DEBT

At Dec. 31, 1982, long-term debt outstanding totaled \$247,536,000 of which \$7,720,000 (converted to \$8,326,000 at year-end exchange rates) was due within one year.

Sinking Fund Debentures:

Repayments, in U.S. dollars, required on the sinking fund debentures over the next five years are US\$3,080,000 in each of the years 1983-1986, inclusive and US\$4,250,000 in 1987.

6¼% Series A Debentures—Issued in exchange for 5¼% first mortgage and collateral trust bonds due 1976-87. Secured by a floating charge on the assets of the company. Outstanding at Dec. 31, 1982, \$4,050,000 (US\$3,750,000).

Privately placed by Burns Fry and Timmins Inc. and Warburg Paribas Becker Inc. in July, 1976.

10¼% Series B Debentures—Issued in July, 1976 and due in 1992. Secured by a floating charge on the assets of the company. Outstanding at Dec. 31, 1982, \$30,871,000 (US\$32,670,000).

Privately placed by Burns Fry and Timmins Inc. and Warburg Paribas Becker Inc. in July, 1976.

Purchase Money Mortgage—Outstanding at Dec. 31, 1982, \$20,000,000. Repayable in semi-annual instalments of \$1 million from January, 1983 through 1992, and bearing interest at rates which fluctuate with the lender's prime commercial rates. At the company's

option, the purchase money mortgage may be financed by bankers' acceptances.

Bank Revolving Term Loan—Outstanding at Dec. 31, 1982, \$184,263,000. Unsecured and bearing interest at rates which fluctuate with the lender's prime commercial rates. The bank loan has been made pursuant to arrangements whereby up to \$340 million will be made available as long-term revolving credit until November, 1984, at which time the balance outstanding, if any, will be converted into a term loan repayable in equal semiannual instalments through 1996. The

bank loan may be financed by bankers' acceptance and may be denominated in Canadian or U.S. funds.

Notes Payable—Outstanding at Dec. 31, 1982, \$737,000.

Obligations Under Capital Leases—At Dec. 31, 1982, obligations under capital leases of \$7,615,000 were the present value of total minimum lease payments of \$9,370,000 payable as follows: \$3,083,000 in 1983; \$2,755,000 in 1984; \$1,962,000 in 1985; \$1,110,000 in 1986; \$162,000 in 1987; and \$298,000 after 1987.

INTERIM EARNINGS

Fiscal Year	Net Sales	Net Inc. Oper. 3 months	Earns. per Com. Sh.■	Net Sales	Net Inc. Oper. 6 months	Earns. per Com. Sh.■	Net Sales	Net Inc. Oper. 9 months	Earns. per Com. Sh.■
	\$000's		—\$—	\$000's		—\$—	\$000's		—\$—
1976 ..	46,114	1,818	0.26	92,995	4,006	0.57	136,044	6,827	0.97
1977 ..	48,433	2,058	0.29	101,400	4,600	0.65	155,300	7,700	1.09
1978 ..	60,200	4,900	0.70	125,200	10,000	1.43	193,900	16,300	2.32
1979 ..	78,600	6,800	0.97	158,600	13,900	1.97	238,600	20,300	2.88
1980 ..	90,500	7,400	1.05	182,715	15,025	2.15	268,800	22,100	3.15
1981 ..	94,800	5,600	0.80	190,700	11,500	1.65	305,100	15,800	2.25
1982 ..	102,734	143	0.02	202,138	d1,043	d0.15	303,400	d3,300	d0.46
1983 ..	97,000	1,700	0.19	205,600	3,800	0.42	317,100	6,100	0.67

■ Adjusted throughout for 3-for-1 stock split Dec. 1, 1978.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION Years Ended December 31

	1982	1981	1980	1979	1978	1977	1976
	\$000's						
Source of Funds:							
Net income, operations	d4,761	16,183	29,346	27,535	22,559	13,853	11,051
Depreciation, etc.	21,118	20,565	18,227	12,220	9,516	7,909	7,542
Deferred income taxes	▲3,746	5,728	11,252	15,415	6,214	5,680	2,538
Amort. fin. exp.	24	30	30	31	27	24	16
Proceeds assoc. co. invest.	4,284	.....	.....	.....	.....	.....	.....
Equity inc. (net)	3,104	▲5,519	▲5,733	▲1,091	.....	.....	.....
Long-term indebtedness	102,639	56,465	13,400	45,989	.....	.....	35,612
Issue common stock	74	225	291	212	55	123	56
Stock purch. plan	119	196	.....	.....	.....	.....	.....
Depr. other assets .....	.....	664	.....	.....	.....	.....	.....
	122,855	94,537	66,813	100,311	38,371	27,589	56,815
Application of Funds:							
Increase fixed assets	114,157	71,989	28,921	53,306	53,646	44,459	23,144
Dividends	3,566	9,154	8,398	7,030	4,652	4,109	3,821
Reduction l.t. debt	11,720	5,817	4,556	2,079	809	811	809
Investment in assoc. co.	2,556	.....	8,265	31,024	.....	.....	.....
Fin. expenses .....	.....	.....	.....	.....	97	.....	386
Income taxes .....	.....	.....	.....	.....	.....	11	653
	131,999	86,960	50,140	93,439	59,204	49,390	28,813
Increase working capital	■ 9,144	7,577	16,673	6,872	■ 20,833	■ 21,801	28,002

■ Decrease. ▲Subtract.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS, YEARS ENDED DECEMBER 31

	1982	1981	1980	1979	1978	1977	1976
	\$000's						
Net sales	397,605	422,172	362,184	321,038	265,129	212,490	180,654
Add: Misc. income, net	.....	.....	.....	1,019	199	1,005	221
Interest income	.....	.....	.....	275	587	469	1,260
Less: Cost of sales, etc.	366,460	368,344	301,314	262,104	214,935	182,689	157,594
Net before deprec., etc.	31,145	53,828	60,870	60,228	50,980	31,275	24,541
Less: Deprec. & deplet.	21,118	20,565	18,227	12,220	9,516	7,909	7,542
Interest expense (net)	17,761	18,531	12,166	4,240	484	501	468
Loss on foreign exch.	.....	.....	.....	.....	.....	.....	108
Income taxes:							
Current	▲847	712	▲1,925	2,325	12,207	3,332	2,834
Deferred	▲3,746	5,728	11,252	15,415	6,214	5,680	2,538
Add: Equity income	d1,620	7,891	8,196	1,507	.....	.....	.....
Net income	d4,761	16,183	29,346	27,535	22,559	13,853	11,051
Add: Previous ret. earns.	173,585	166,556	145,608	125,103	107,196	97,452	90,222
Retroactive acct. chg.■	9,657	.....	.....	.....	.....	.....	.....
Less: Dividends	3,534	9,154	8,398	7,030	4,652	4,109	3,821
Retained earnings	174,947	173,585	166,556	145,608	125,103	107,196	97,452

▲Credit. ■ See "Accounting Changes" on page 3.

□ Taxes on income have been reduced by \$471,000 in 1981, \$4,923,000 in 1980, \$1,860,000 in 1979 and \$163,000 in 1978 resulting from the application of Canadian and U.S. federal investment tax credits; see also "Accounting Changes," on page 3.

Remuneration—Of officers and directors has been as follows: \$1,146,305 in 1982; \$1,200,016 in 1981; \$1,158,935 in 1980; \$979,658 in 1979; \$683,000 in 1978; \$545,000 in 1977; \$509,000 in 1976.

Times All Interest Earned:

Before deprec. & deplet.	1.75	2.90	5.00	14.20	105.33	62.43	52.44
After deprec. & deplet.	0.56	1.79	3.51	11.32	85.67	46.64	36.32

Earnings per Share:

Common*	\$0.67	\$2.30	\$4.19	\$3.91	\$3.20	\$1.97	\$1.57
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*Adjusted throughout for 3-for-1 stock split Dec. 1, 1978. Designated as class A and B shares prior to April, 1979. Earnings per share are as reported by the company; based on the weighted average number of shares outstanding during the year.

Dividends Paid:

Common□	\$0.50	\$1.30	\$1.20	\$0.75+	.....	.....	.....
				0.05			
Class A■	.....	.....	.....	\$0.20	\$0.20	.....	.....
Class B■	.....	.....	.....	0.20	*0.20	.....	.....
Class A	.....	.....	.....	.....	1.38	\$1.75	\$1.63
Class B	.....	.....	.....	.....	*1.38	*1.75	*1.63

■ Following 3-for-1 stock split, Dec. 1, 1978.

*Tax-deferred.

□ Following reclassification of class A and B shares as common stock April, 1979.

CONSOLIDATED BALANCE SHEET, AS AT DECEMBER 31

	1982	1981	1980	1979	1978	1977	1976
	\$000's						
Assets							
Current:							
Cash & deposits	2,775	2,288	5,048	1,478	4,113	18,251	44,036
Accounts receivable	37,050	39,988	33,721	29,736	21,427	19,515	15,638
Inc. taxes recov.	4,576	4,300	6,730	2,142	.....	.....	.....
Inventories*:							
Pulpwood & logs	17,335	24,442	21,935	19,259	15,921	12,931	10,997
Raw mater. & supp.	28,485	30,435	27,036	22,576	16,777	13,845	10,967
Goods in proc. & fin. prod.	10,559	9,206	5,949	5,245	4,538	5,320	5,746
Prepaid expenses	2,156	2,049	1,378	828	756	809	564
	102,936	112,708	101,797	81,264	63,532	70,671	87,948
Due under stk. plan	711	697	453	205	144	199	203
Income tax† .....	.....	.....	664	664	664	664	653
Deferred fin. exp.	301	325	355	385	416	346	370
Invest. in assoc. co.	46,832	50,352	44,462	30,537	.....	.....	.....
Fixed assets:							
Plants & properties	540,429	424,674	363,360	343,560	295,118	252,988	210,171
Less: Accum. deprec., etc.	170,234	154,126	139,988	132,298	122,579	124,579	118,312
Capital leases	12,674	13,929	7,930	8,331	.....	.....	.....
Less: Accum. amort.	6,031	4,626	2,875	1,860	.....	.....	.....
	376,838	279,851	228,427	217,733	172,539	128,409	91,859
	527,618	443,933	376,158	330,788	237,295	200,289	181,033
Liabilities							
Current:							
Due bank .....	.....	10,000	9,694	7,000	.....	.....	.....
Accts. pay. & accr.	51,150	43,929	37,388	34,832	31,373	26,218	19,439
L-t indebtedness due	8,326	5,938	4,963	2,090	889	820	757
Taxes payable	12	249	4,737	.....	9,095	625	2,943
Loan from affiliated co. ....	.....	.....	.....	9,000	.....	.....	.....
	59,488	60,116	56,782	52,922	41,357	27,663	23,139
Long-term debt:							
6% % ser. A, due 1987	4,050	4,860	5,610	5,669	6,480	7,289	8,100
10% % ser. B, due 1992	30,871	33,241	35,612	35,612	35,612	35,612	35,612
Money mortgage	20,000	24,000	24,000	24,000	.....	.....	.....
Term loan	184,263	82,335	32,000	18,600	.....	.....	.....
Cap. lease oblig.	7,615	9,923	5,426	5,524	.....	.....	.....
Other	737	.....	.....	.....	.....	.....	.....
Less: Amt. due in 1 yr.	7,720	5,462	4,399	▲	.....	.....	.....
	239,816	148,897	98,249	89,405	42,092	42,901	43,712
Deferred income tax	45,579	55,034	49,306	38,054	22,639	16,425	10,745
Shareholders' Equity							
Common stock	7,788	7,581	6,916	6,377	6,104	6,104	5,985
Less: Pro rata interest .....	.....	1,280	1,651	1,578	.....	.....	.....
Retained earnings	174,947	173,585	166,556	145,608	125,103	107,196	97,452
	527,618	443,933	376,158	330,778	237,295	200,289	181,033

†The company has been re-assessed for the 1970 through 1973 taxation years with respect to the treatment of certain income for tax purposes in 1970 and 1971 and has appealed the position. Income taxes assessed and paid are treated as recoverable pending the outcome of legal proceedings.

▲Deducted from individual amounts in 1979 and prior years.

*Pulp wood and logs, raw materials and supplies carried at lower of cost and replacement cost; goods in process and finished products are valued at lower of cost and net realizable value.

Commitments—The capital costs of the company's programs to increase production capacity and efficiency and to meet prescribed environmental standards at its Atholville mill and to construct a high pressure steam pipeline between the Edmondston and Madawaska mills over the years to 1985 are estimated at \$220 million, excluding interest. Of this amount about \$148 million had been paid or provided for in the accounts at Dec. 31, 1982, and there were contractual commitments for a further \$26 million at that date. These programs are being financed by additional bank borrowings, government grants and internally generated funds.

At Dec. 31, 1982, contractual commitments for capital expenditures (excluding the above) amounted to approximately \$1 million.

Pension Plans—According to the latest actuarial reports on the company's pension plans, there was an unfunded liability as at Dec. 31, 1982, of \$28,230,000, to be amortized and funded within the time limits imposed by government regulations. The assets of the plan exceeded the actuarially computed vested pension benefits by \$1,871,000. Total pension expense charged against earnings aggregated \$4,215,000 in 1982.

Working Capital (\$000's):							
Current assets	102,936	112,708	101,797	81,264	63,532	70,671	87,948
Current liabilities	59,488	60,116	56,782	52,922	41,357	27,663	23,139
Working capital	43,448	52,592	45,015	28,342	22,175	43,008	64,809
Ratio	1.73—1	1.87—1	1.79—1	1.54—1	1.54—1	2.55—1	3.80—1

EQUITIES, AS AT DECEMBER 31

	1981	1981	1980	1979	1978	1977	1976
Net worth* (\$'000's)	182,735	179,886	171,821	150,407	131,207	113,300	103,437
Debentures, per \$1,000	\$6,233	\$5,721	\$5,168	\$4,643	\$4,117	\$3,641	\$3,366
Common, n.p.v. □	25.57	25.47	\$24.50	21.52	18.62	48.23	44.12

*Available for the common stock. Based on shareholders' equity. Bonds and debentures taken in at par for calculation of their equity.

□ Excluding shares held by the parent company.

Shares Outstanding:

Common▲ 7,145,306 □ 7,062,896 □ 7,013,327 □ 6,988,331 ■ 7,048,206 2,349,402 2,344,402

▲ Designated as class A and B shares from Jan. 2, 1974 to April, 1979.

□ Excludes 64,395 shares in 1981; 82,510 shares in 1980 and 78,799 shares in 1979, representing company's pro rata interest in its shares held by the parent company. ■ Following 3-for-1 stock split, Dec. 1, 1978.

SALES

Year	Paper	Box-board	SALES				Net Sales \$
			Tons	Pulp	Total	Lumber M fbm.	
1933-40A					119,681	74,216	10,725,000
1941					169,913	72,193	17,998,000
1942					167,174	72,806	19,169,000
1943					166,669	57,691	19,783,000
1944					170,022	36,822	20,588,000
1945					172,022	38,945	21,125,000
1946					177,660	29,937	23,413,000
1947					183,355	30,876	29,523,000
1948					194,696	22,136	34,350,000
1949					183,770	20,587	30,949,000
1950					243,164	29,438	41,424,000
1951					256,173	26,563	52,994,000
1952					227,779	29,284	47,188,000
1953					243,192	23,866	47,971,000
1954					253,668	32,180	50,337,000
1955					273,169	32,746	55,229,000
1956					284,815	30,299	60,764,000
1957					265,214	23,042	57,558,000
1958					242,454	27,691	54,564,000
1959	161,467	25,055	53,874	240,396	31,397	55,133,000	
1960	161,060	22,382	56,846	240,288	27,119	53,745,000	
1961	160,370	18,606	89,936	268,912	31,089	55,605,000	
1962	177,031	19,451	88,407	284,889	29,519	59,304,000	
1963	180,098	20,437	121,598	322,133	32,733	61,862,000	
1964	185,928	21,158	143,523	350,609	31,343	64,844,000	
1965	202,956	22,298	102,276	327,530	30,337	66,586,000	
1966	215,313	24,369	120,831	360,513	26,781	72,412,000	
1967	203,243	24,407	128,731	356,381	27,435	70,681,000	
1968	212,306	24,053	180,463	416,822	20,616	76,568,000	
1969	241,734	27,998	211,058	480,790	33,033	91,327,000	
1970	221,278	27,505	88,387	*337,170	39,016	73,730,000	
1971	195,049	28,154	50,255	273,458	52,507	62,639,000	
1972	322,771	29,118	49,151	401,040	57,153	90,926,000	
1973	363,144	31,625	20,229	414,998	49,774	111,913,000	
1974	383,063	32,389	10,533	425,985	46,190	158,228,000	
1975	302,968	30,326	12,191	345,485	46,081	142,775,000	
1976	375,633	32,628	9,994	418,255	56,764	180,654,000	
1977	384,857	31,539	20,219	436,615	63,849	212,490,000	
1978	399,033	30,630	43,595	473,258	81,167	265,129,000	
1979	400,362	30,643	71,936	502,660	92,634	321,038,000	
1980	414,825	30,502	67,635	512,962	87,309	362,184,000	
1982	439,607	25,428	11,363	476,398	32,695	397,605,000	

▲ Average for the years 1933-40.

*Newcastle mill sold Jan. 22, 1970.

HISTORICAL SUMMARY

(As originally stated in the company's annual reports for the respective years.)

Years Ended Dec. 31	Total Assets	Working Capital	L.-t. Debt \$000's	Net Sales	Net Inc. Oper.	Earns. per Com. Sh.	Com. Price High Low	Range Low High
						—\$—	—\$—	—\$—
1926	27,695	3,625	6,000		610	4.53	.....	.....
1927	32,791	7,352	12,513		677	1.72	.....	.....
1928	40,384	5,657	14,689		435	1.16	99.00	47.00
1929	52,340	4,225	17,972		d711	d1.76	88.50	15.00
1930	46,019	2,492	14,202		d4,219	d10.45	17.50	2.50
1931	41,351	1,369	14,689		d1,260	d3.12	3.00	0.50
1932	24,876	d1,067	8,702		d2,316	d15.42	1.25	0.25
1933	23,564	d89	9,231		d615	d4.06	\$3.00	\$2.25
1934	24,028	1,079	9,663		d372	d2.30	12.50	2.00
1935	23,368	2,475	9,787		d84	d0.50	8.50	1.75
1936	22,954	2,637	4,839		95	0.27	33.50	9.00
1937	24,608	3,011	7,713		760	2.05	50.00	11.50
1938	23,662	3,652	7,708		d18	d0.05	20.00	8.00
1939	23,391	3,841	7,575		d209	d0.56	22.00	5.00
1940	22,341	3,966	6,695		77	0.21	20.00	6.00
1941	21,476	3,665	5,906	17,998	378	1.02	14.00	4.50
1942	22,545	5,165	5,589	19,169	435	1.17	13.00	7.00
1943	25,676	5,679	5,530	19,783	917	2.47	20.00	12.50
1944	23,730	5,691	7,000	20,588	1,717	4.63	38.00	19.00
1945	23,229	6,350	7,000	21,125	1,764	4.75	56.00	34.75
1946	25,155	6,797	7,000	23,413	1,964	5.29	75.00	43.00
1947	23,832	6,272	6,650	29,523	3,981	10.73	58.50	42.00
1948	38,078	8,572	6,300	34,350	5,600	15.09	62.50	42.50
1949	37,862	8,845	5,950	30,949	2,937	\$3.63	\$28.25	\$17.50
1950	39,035	7,831	5,600	41,424	4,475	5.71	40.25	24.50
1951	44,223	9,513	5,250	42,994	5,434	7.20	68.50	38.50
1952	44,097	10,378	4,900	47,188	3,456	\$1.52	\$18.24	\$13.00
1953	44,416	10,942	4,550	47,971	2,974	1.30	18.00	13.50
1954	45,796	13,914	4,200	50,337	4,868	2.16	26.50	15.13
1955	49,298	15,183	3,850	55,229	5,711	2.56	36.25	25.00
1956	53,106	16,471	3,500	60,764	6,706	3.01	41.00	30.25
1957	53,293	15,319	3,150	57,558	5,299	2.38	33.50	20.75
1958	53,077	15,839	2,800	54,564	4,622	2.07	32.50	22.38
1959	53,254	14,824	2,450	55,133	4,151	1.86	35.00	25.50
1960	53,002	11,490	2,100	53,745	3,613	1.62	28.75	21.63
1961	53,747	13,379	1,750	55,605	3,381	1.52	29.25	21.00
1962	54,909	15,086	1,400	59,304	4,225	1.90	28.75	23.00
1963	59,273	16,542	1,050	61,862	4,188	1.88	32.25	25.25
1964	62,732	18,187	700	64,844	5,016	2.25	34.38	27.50
1965	88,404	29,007	16,549	66,586	5,440	2.44	36.00	27.00
1966	95,799	15,941	16,199	72,412	3,353	1.51	32.00	20.50
1967	95,064	15,711	15,389	70,681	41	0.02	28.00	16.50
1968	92,145	19,876	14,579	76,568	1,109	0.48	23.50	13.88
1969	97,431	23,186	13,769	91,327	4,403	1.90	29.00	18.25
1970	102,002	25,167	12,959	73,730	2,614	1.12	32.25	18.00
1971	97,604	6,478	12,149	62,639	d4,856	d2.08	21.00	11.25
1972	95,067	11,741	11,339	90,926	d751	d0.32	17.00	12.50
1973	116,134	21,763	10,529	111,913	7,840	3.36	26.00	16.38
1974	135,194	35,467	9,719	158,228	14,892	6.35	28.75	19.00
1975	130,080	36,807	8,909	142,775	7,212	3.08	20.63	16.00
1976	181,033	64,809	43,712	180,654	11,051	4.71	25.88	19.50
1977	200,289	43,008	42,901	212,490	13,853	5.90	27.25	21.63
1978	237,295	22,175	42,092	265,129	22,559	\$3.20	\$15.00	\$8.13
1979	330,778	28,342	89,405	321,038	27,535	3.91	17.50	13.25
1980	376,158	45,015	▲103,212	362,184	29,346	4.19	24.00	15.00
1981	443,933	52,592	154,835	422,172	16,183	2.30	28.88	16.50
1982	527,618	43,448	247,536	397,605	44,761	d0.67	17.13	8.50

*Following a 1-for-10 stock consolidation on Dec. 4, 1933; a 2-for-1 stock split on Jan. 4, 1949; 3-for-1 stock split on Apr. 25, 1952; and 3-for-1 stock split Dec. 1, 1978.

▲In 1980 and subsequently includes amounts due in one year; net amounts in prior years.

For analysts interested in an intensive study of this and certain other companies, our Databank derives and publishes a wide range of operating ratios, growth rates, etc. For details, contact The Financial Post Investment Databank, Box 100, Terminal A, Toronto M5W 1A7, (416) 596-5692

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